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**THE GREATER BATON ROUGE FOOD BANK**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

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A Professional Accounting Corporation

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**THE GREATER BATON ROUGE FOOD BANK**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

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## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
The Greater Baton Rouge Food Bank  
Baton Rouge, Louisiana

### **Report on Financial Statements**

We have audited the accompanying financial statements of The Greater Baton Rouge Food Bank (a not-for-profit Organization) which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Greater Baton Rouge Food Bank as of December 31, 2013 and 2012, and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Reports Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report, dated June 12, 2014, on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Postlethwaite & Nettewill*

Baton Rouge, Louisiana

June 12, 2014

**THE GREATER BATON ROUGE FOOD BANK**  
**(A NOT-FOR-PROFIT ORGANIZATION)**  
**BATON ROUGE, LOUISIANA**

**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2013 AND 2012**

**A S S E T S**

	<u>2013</u>	<u>2012</u>
<b><u>CURRENT ASSETS</u></b>		
Cash and cash equivalents	\$ 214,234	\$ 1,239,512
Restricted cash	2,846,804	1,778,727
Accounts receivable	100,600	98,292
Prepaid insurance	20,220	11,771
Unconditional promises to give	753,995	800,229
Promise to give - United Way	152,500	137,500
Food inventory - donated and purchased	1,224,636	1,603,376
Food inventory - commodities	52,739	162,811
Total current assets	<u>5,365,728</u>	<u>5,832,218</u>
<b><u>PROPERTY AND EQUIPMENT</u></b>		
Land	500,000	500,000
Building and building improvements	6,696,469	6,696,469
Construction in process	6,044,686	309,409
Vehicles	194,658	335,355
Furniture, fixtures, and equipment	163,421	346,925
	<u>13,599,234</u>	<u>8,188,158</u>
Less: Accumulated depreciation	<u>(1,953,816)</u>	<u>(2,036,907)</u>
	<u>11,645,418</u>	<u>6,151,251</u>
<b><u>OTHER ASSETS</u></b>		
Investments - restricted (footnote 14)	1,067,239	911,771
Long-term portion of unconditional promises to give	210,535	727,014
Total other assets	<u>1,277,774</u>	<u>1,638,785</u>
 Total assets	 <u>\$ 18,288,920</u>	 <u>\$ 13,622,254</u>

The accompanying notes are an integral part of these statements.

## LIABILITIES AND NET ASSETS

	2013	2012
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 751,123	\$ 200,503
Accrued expenses and other liabilities	38,381	20,709
Accrued interest payable	15,566	-
Note payable - current portion	2,755,206	28,155
Total current liabilities	<u>3,560,276</u>	<u>249,367</u>
<u>LONG-TERM LIABILITIES</u>		
Note payable - less current portion	973,553	24,505
Total long-term liabilities	<u>973,553</u>	<u>24,505</u>
Total liabilities	<u>4,533,829</u>	<u>273,872</u>
<u>NET ASSETS</u>		
Unrestricted	9,920,916	9,939,328
Temporarily restricted	3,074,013	2,730,108
Permanently restricted	760,162	678,946
Total net assets	<u>13,755,091</u>	<u>13,348,382</u>
Total liabilities and net assets	<u>\$ 18,288,920</u>	<u>\$ 13,622,254</u>

**THE GREATER BATON ROUGE FOOD BANK**  
**(A NOT-FOR-PROFIT ORGANIZATION)**  
**BATON ROUGE, LOUISIANA**

**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b><u>REVENUES AND OTHER SUPPORT</u></b>				
Contributions	\$ 2,095,326	\$ 926,657	\$ 81,216	\$ 3,103,199
United Way	152,500	152,500	-	305,000
Special events	61,220	-	-	61,220
FEMA	22	-	-	22
Donated services and gifts in kind	126,503	-	-	126,503
Hurricane relief grants	-	-	-	-
Grant revenues	55,106	403,725	-	458,831
Local government support	31,300	-	-	31,300
SNAP Outreach	27,352	-	-	27,352
USDA commodities reimbursements	163,056	-	-	163,056
Investment income	97,397	-	-	97,397
Food donations received	14,723,187	-	-	14,723,187
Commodities received	1,783,665	-	-	1,783,665
Cluster transportation	-	-	-	-
Other	86,890	-	-	86,890
Total revenues	19,403,524	1,482,882	81,216	20,967,622
Net assets released from restrictions				
Satisfaction of purpose of restrictions	1,138,977	(1,138,977)	-	-
Total revenues	20,542,501	343,905	81,216	20,967,622
<b><u>EXPENSES</u></b>				
Program	19,575,966	-	-	19,575,966
Administration	211,345	-	-	211,345
Fundraising	773,602	-	-	773,602
Total expenses	20,560,913	-	-	20,560,913
<b><u>CHANGE IN NET ASSETS</u></b>	(18,412)	343,905	81,216	406,709
Net assets - beginning of period	9,939,328	2,730,108	678,946	13,348,382
Net assets - end of period	\$ 9,920,916	\$ 3,074,013	\$ 760,162	\$ 13,755,091

The accompanying notes are an integral part of these statements.



2012

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 1,929,671	\$ 526,012	\$ 71,324	\$ 2,527,007
130,000	137,500	-	267,500
90,069	-	-	90,069
39,773	-	-	39,773
29,018	-	-	29,018
100,000	155,000	-	255,000
87,335	193,550	-	280,885
33,300	-	-	33,300
26,556	-	-	26,556
255,254	-	-	255,254
86,812	-	-	86,812
15,147,272	-	-	15,147,272
1,128,379	-	-	1,128,379
13,380	-	-	13,380
76,685	-	-	76,685
19,173,504	1,012,062	71,324	20,256,890
3,303,336	(3,303,336)	-	-
22,476,840	(2,291,274)	71,324	20,256,890
19,379,237	-	-	19,379,237
216,298	-	-	216,298
627,957	-	-	627,957
20,223,492	-	-	20,223,492
2,253,348	(2,291,274)	71,324	33,398
7,685,980	5,021,382	607,622	13,314,984
\$ 9,939,328	\$ 2,730,108	\$ 678,946	\$ 13,348,382

**THE GREATER BATON ROUGE FOOD BANK**  
**(A NOT-FOR-PROFIT ORGANIZATION)**  
**BATON ROUGE, LOUISIANA**

**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

	2013			
	Program	Administration	Fundraising	Total
Accounting and professional fees	\$ -	\$ 50,550	\$ 16,850	\$ 67,400
Advertising	17,061	-	1,089	18,150
Write down of pledges	306	-	-	306
Capital Campaign	-	-	155,904	155,904
Cluster transportation	-	-	-	-
Cold storage	6,580	-	-	6,580
Conferences	17,377	362	362	18,101
Contract labor	54,090	6,761	6,761	67,612
Depreciation	249,471	-	-	249,471
Direct mail expense	-	-	357,164	357,164
Distribution of commodities	1,893,737	-	-	1,893,737
Distribution of donated food	15,290,955	-	-	15,290,955
Dues	17,109	2,013	6,038	25,160
Food purchases with FEMA revenue	22	-	-	22
Fuel and mileage	105,016	3,352	3,352	111,720
In-kind expense	126,503	-	-	126,503
Insurance	268,429	-	-	268,429
Interest expense	20,999	-	-	20,999
Investment fees and expenses	29,717	-	-	29,717
Loss on disposal of assets	21,367	-	-	21,367
Equipment	11,507	-	-	11,507
Miscellaneous expense	54,242	554	554	55,350
Payroll taxes	66,563	9,895	13,493	89,951
Postage	23,172	1,448	4,345	28,965
Printing and publication	23,730	1,483	4,449	29,662
Repairs and maintenance	52,543	-	-	52,543
Retirement	20,454	3,040	4,146	27,640
Salaries	850,736	126,461	172,446	1,149,643
Service contracts	17,629	-	-	17,629
Special event expense	-	-	18,090	18,090
Supplies	25,929	1,621	4,862	32,412
Telephone	17,162	2,145	2,145	21,452
Transportation	59,380	-	-	59,380
Training	2,682	501	393	3,576
Utilities	48,378	494	494	49,366
Vehicle leases	112,729	-	-	112,729
Volunteer program	5,268	-	-	5,268
Waste disposal	65,123	665	665	66,453
	<u>\$ 19,575,966</u>	<u>\$ 211,345</u>	<u>\$ 773,602</u>	<u>\$ 20,560,913</u>

The accompanying notes are an integral part of these statements.

2012

Program	Administration	Fundraising	Total
\$ -	\$ 30,635	\$ -	\$ 30,635
14,057	-	897	14,954
50,000	-	-	50,000
-	-	89,384	89,384
10,265	-	-	10,265
1,771	-	-	1,771
18,644	388	388	19,420
60,149	-	-	60,149
264,655	-	-	264,655
-	-	308,391	308,391
1,120,969	-	-	1,120,969
16,040,181	-	-	16,040,181
12,806	1,507	4,520	18,833
39,773	-	-	39,773
98,234	2,090	4,180	104,504
29,018	-	-	29,018
218,247	-	-	218,247
47,284	-	-	47,284
8,566	-	-	8,566
-	-	-	-
10,160	-	-	10,160
53,708	550	550	54,808
61,064	12,041	12,901	86,006
19,425	2,428	2,428	24,281
19,781	2,473	2,473	24,727
57,009	-	-	57,009
17,309	3,413	3,657	24,379
783,486	154,490	165,525	1,103,501
17,107	-	-	17,107
-	-	26,404	26,404
24,670	3,084	3,084	30,838
17,294	2,162	2,162	21,618
60,065	-	-	60,065
593	111	87	791
40,401	412	412	41,225
104,715	-	-	104,715
7,457	-	-	7,457
50,374	514	514	51,402
<u>\$ 19,379,237</u>	<u>\$ 216,298</u>	<u>\$ 627,957</u>	<u>\$ 20,223,492</u>

**THE GREATER BATON ROUGE FOOD BANK**  
**(A NOT-FOR-PROFIT ORGANIZATION)**  
**BATON ROUGE, LOUISIANA**

**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 406,709	\$ 33,398
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Permanently restricted contributions	(81,216)	(71,324)
Write down of pledges	306	50,000
Depreciation	249,471	264,655
Loss on disposal of equipment	21,367	-
Unrealized appreciation of investments	(77,767)	(67,671)
Donated inventory, net	378,740	616,317
Net change in:		
Accounts receivable	(2,308)	(52,521)
Prepaid insurance	(8,449)	(10,971)
Net present value discount on unconditional promises to give	(24,044)	(32,711)
Promise to give - United Way	(15,000)	(7,500)
Commodities inventory	110,072	(7,410)
Accrued interest payable	15,566	-
Accounts payable	3,972	8,347
Accrued expenses and other liabilities	17,672	(11,842)
Net cash provided by operating activities	<u>995,091</u>	<u>710,767</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Property and equipment purchases	(1,506,797)	(196,449)
Redemption of certificates of deposit	-	214,601
Purchase of investments	(77,701)	(81,439)
Net cash used in investing activities	<u>(1,584,498)</u>	<u>(63,287)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Proceeds from lines of credit	18,995	-
Unconditional promises to give	586,451	789,924
Permanently restricted contributions	81,216	71,324
Principal payments on notes payable	(54,456)	(1,782,046)
Net cash provided by (used in) financing activities	<u>632,206</u>	<u>(920,798)</u>
Net change in cash and cash equivalents	42,799	(273,318)
Cash and cash equivalents at beginning of year	<u>3,018,239</u>	<u>3,291,557</u>
Cash and cash equivalents at end of year	<u>\$ 3,061,038</u>	<u>\$ 3,018,239</u>
<b><u>Supplemental disclosure:</u></b>		
Schedule of Noncash Investing and Financing Transactions		
Construction in process	3,711,560	-
Notes payable	(3,711,560)	-
	<u>-</u>	<u>-</u>
Interest paid	<u>\$ 5,433</u>	<u>\$ 53,083</u>

The accompanying notes are an integral part of these statements.

**THE GREATER BATON ROUGE FOOD BANK**  
**(A NOT-FOR-PROFIT ORGANIZATION)**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Greater Baton Rouge Food Bank (the Food Bank or the Organization) is a not-for-profit organization that gathers, stores, and redistributes food to charitable organizations and churches that serve the needy. Food sources include donations from individuals, corporations, and organizations; purchased food; and the USDA Commodities program.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The Food Bank is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates have been applied in the determination of donated food values and depreciation in preparation of the accompanying financial statements.

**Property and Equipment**

Property and equipment are stated at cost. Additions, renewals, and betterments that extend the useful life of the assets are capitalized. Maintenance and repair expenditures are expensed as incurred. Provisions for depreciation and amortization are computed using the straight-line method over the assets' useful lives, which range from 3 to 39 years.

**THE GREATER BATON ROUGE FOOD BANK**  
**(A NOT-FOR-PROFIT ORGANIZATION)**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Revenue Recognition and Promises to Give**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Grants receive the same accounting treatment as contributions, if the grant activity is to be planned and carried out by the Organization and the Organization has the right to the benefits of carrying out the activity.

Management has evaluated Promises to Give and does not believe an allowance is necessary at December 31, 2013 or 2012.

**Income Taxes**

The Organization has been recognized by the Internal Revenue Service as a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes. The Organization had an unrelated business taxable income of approximately \$16,000 for the year ended December 31, 2013 related to rental income. The Organization will file Form 990T in relation to this business income, however, no income tax was paid due to the related expenses that were deductible from the income. The Organization had no unrelated business taxable income for the year ended December 31, 2012. Accordingly, no provision for income taxes on related income has been included in the financial statements for December 31, 2013 or 2012.

In Management's judgment, the Food Bank does not have any tax positions that would result in a loss contingency considering the facts, circumstances, and information available at the reporting date.

With few exceptions, the statute of limitation for the examination of the Food Bank's income tax returns is generally three years from the due date of the tax returns including extensions. The tax years open for assessment are the years ending on or after December 31, 2010.

**THE GREATER BATON ROUGE FOOD BANK**  
**(A NOT-FOR-PROFIT ORGANIZATION)**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Food Inventory - Donated and Purchased**

Food inventory, predominately donated, including food received, distributed and undistributed, is valued using the estimated fair value as determined by the Feeding America Product Valuation Survey prepared by KPMG, LLP on an annual basis. The report provides the average wholesale value of products donated to the network and is considered to be a reasonable basis upon which to estimate these amounts. The average wholesale value used for the years ended December 31, 2013 and 2012, was \$1.69 and \$1.66 per pound, respectively. The Food Bank receives donated Meals Ready to Eat (MRE's) periodically during the year. MRE's are valued using available market prices (fair value). The average fair value at December 31, 2013 and 2012 was \$54. Donated food inventory received is recorded as unrestricted revenue at an amount equal to the determined value in accordance with the aforementioned guidelines.

Purchased food inventory is recorded at cost.

**Food Inventory - Commodities**

Commodities inventory is reported at fair value as determined by the commodities price listing produced by the Louisiana Department of Agriculture and Forestry. Commodities inventory received is recorded as unrestricted revenue at an amount equal to the determined value in accordance with the aforementioned guidelines.

**Investments**

Investments are carried at fair value. The change in fair value is recognized as a component of investment income. Accrued interest on investments is recognized as a component of accounts receivable.

**Cash and Cash Equivalents**

Cash and cash equivalents include all monies in banks and highly liquid investments with original maturities of less than three months.

**THE GREATER BATON ROUGE FOOD BANK**  
**(A NOT-FOR-PROFIT ORGANIZATION)**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Accounts Receivable**

The Food Bank determines past-due accounts based on contractual terms and does not charge interest on the accounts. Receivables consist primarily of amounts due related to CDBG (see Note 5) and various other grants. The Food Bank charges off receivables if management considers the collection of the outstanding balance to be doubtful. Management does not believe an allowance is necessary at December 31, 2013 or 2012.

**Donated Services**

A significant portion of the Food Bank's functions are conducted by unpaid volunteers. The value of the contributed time is not reflected in the financial statements since the services do not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

**Donated Materials**

Donated materials are reflected as contribution income and expense in the accompanying financial statements at their estimated values at the date of receipt. Various materials were donated to the Food Bank to help aid in their mission. These materials were valued at approximately \$126,000 and \$29,000 for the years ended December 31, 2013 and 2012, respectively. The amount at December 31, 2013 and 2012 consisted mainly of donated advertisements of \$73,400 and \$11,000, respectively.

**Reclassification**

Certain amounts in the prior year financial statements have been reclassified to conform with current year presentation.



**THE GREATER BATON ROUGE FOOD BANK**  
**(A NOT-FOR-PROFIT ORGANIZATION)**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**2. TEMPORARILY RESTRICTED NET ASSETS**

Net assets were temporarily restricted for the following purposes at December 31:

	<u>2013</u>	<u>2012</u>
Bucks for Trucks Program	\$ 50,109	\$ 11,365
Back Pack Program	109,036	48,773
Capital Campaign	2,652,499	2,532,226
United Way Promise to Give – general and administration	135,000	137,500
United Way Promise to Give - backpack	17,500	-
Summer Job Program	-	244
Estate of Elizabeth Ferro - Garden	20,000	-
Mosaic Grant - Truck Purchase	76,917	-
Food Purchases	7,352	-
Adopt a Senior	<u>5,600</u>	<u>-</u>
	<u>\$ 3,074,013</u>	<u>\$ 2,730,108</u>

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by the donors of the various programs. Capital Campaign funds of \$739,616; Bucks for Trucks Program of \$46,256; Back Pack Program of \$101,737; Food Purchases \$57,195; Mosaic Grant -Truck Purchase \$48,083; United Way of \$137,500 were the primary funds released from restrictions during 2013. Capital Campaign funds of \$2,785,432; Bucks for Trucks of \$59,465; Back Pack Program of \$90,010; United Way of \$130,000 were the primary funds released from restrictions during 2012.

**3. PERMANENTLY RESTRICTED NET ASSETS**

Net assets were permanently restricted for the following purposes at December 31:

	<u>2013</u>	<u>2012</u>
Endowment Fund (principal unexpendable; earnings can be used for general mission statement of Food Bank)	<u>\$ 760,162</u>	<u>\$ 678,946</u>

**THE GREATER BATON ROUGE FOOD BANK**  
**(A NOT-FOR-PROFIT ORGANIZATION)**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**4. USDA COMMODITIES**

The Food Bank participated in the USDA Commodities program during the years ended December 31, 2013 and 2012. The objective of the program is to provide U.S. Department of Agriculture (USDA) donated commodities to low-income households through eligible organizations for home consumption. Commodities received are recorded in the accompanying financial statements as unrestricted revenue at their estimated fair value.

Activity of commodities is summarized as follows:

	<u>2013</u>	<u>2012</u>
Commodity inventory at beginning of year	\$ 162,811	\$ 155,401
Food commodities received	1,783,665	1,128,379
Distributed, discarded, and adjustment	<u>( 1,893,737)</u>	<u>( 1,120,969)</u>
Commodity inventory at end of year	<u>\$ 52,739</u>	<u>\$ 162,811</u>

**5. NOTES PAYABLE**

On December 9, 2010, the Food Bank signed a promissory note for \$98,020 with Feeding America to acquire a refrigerated truck. The interest rate is 0% for the first year of the note, increasing to 2%, 3% and 4% at December 31, 2012, 2013 and 2014, respectively. The Food Bank began making payments on this debt on December 31, 2011. The note was paid in full during the year ended December 31, 2013.

On April 22, 2010 the Food Bank purchased a forklift for \$23,700 and financed it through Toyota Financial Services. The interest rate is 6.10%. The Food Bank began making payments in 2010. The note was refinanced as lease-to-own for \$18,995 in September 2013. The interest rate is 4.3%. The note matures in August 2016.

The Organization received \$500,000 as part of a loan agreement with the Office of Community Development during the year ended December 31, 2013 which was used for the rehabilitation of the new office and warehouse. This is a principal only loan with a term of 5 years fixed amortization. The loan will be forgiven upon annual verification of compliance as to the occupancy and the use of the property to benefit low to moderate income individuals. An amount equal to one fifth of the total amount of this loan will be forgiven annually. The 5 years of amortization begin 90 days after the expiration of the agreement which is December 31, 2013, or March 31, 2014.

**THE GREATER BATON ROUGE FOOD BANK**  
**(A NOT-FOR-PROFIT ORGANIZATION)**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**5. NOTES PAYABLE** (continued)

The Organization also received an additional \$500,000 repayable loan with the Office of Community Development during the year ended December 31, 2013. This is a principal only loan which is also for the rehabilitation of the new office and warehouse. The loan is due over a 10 year period with the first payment to be due ninety days after the expiration of the agreement which is December 31, 2013, or March 31, 2014.

As part of the grant terms for both grants listed above, the Food Bank has agreed to a restrictive covenant which binds the property and all present and future owners to the restrictions of the CDBG Program in which the property must be retained for no less than 10 years to benefit low to moderate income individuals.

On January 4, 2013, the Food Bank signed a promissory note for two construction loans for \$4,000,000 and \$1,000,000 with Capital One Bank. The construction loan for \$1,000,000 is a bridge loan in the event the Food Bank experiences timing gaps on reimbursement for project costs under the grant with the City of Baton Rouge Office of Community Development. Under the agreement, the \$4,000,000 construction loan can be converted to a term loan in the amount of the lesser of \$4,000,000 or 75% of the appraised value of the project. The notes originally matured on October 4, 2013 but the maturity dates have been extended into 2014 at which point management anticipates that the loans will be converted to term notes. As of the date of this report, the renewal of the lines of credit has not been finalized. The notes bear interest at the rate of LIBOR plus 3.250%, which was 3.42% as of December 31, 2013, which shall be payable in quarterly installments, commencing on April 4, 2013 and on the same day of the month every three months thereafter. The outstanding balance of the loans was \$2,711,560 as of December 31, 2013. No principal payments have been made in 2013.

A summary of long-term debt as of December 31<sup>st</sup> is as follows:

	<u>2013</u>	<u>2012</u>
Feeding America, an Arizona nonprofit corp., 3 years at 0% For the first year of the note, increasing to 2%, 3% and 4% At December 31, 2012, 2013 and 2014, Requiring yearly payments of \$24,505 plus interest; secured by vehicle due December 2014.	\$ -	\$ 49,010
Toyota Financial Services, 3 years at 6.10% from January 2013 through September 2013 and 4.3% from September 2013 through maturity; requiring monthly payments of \$563 plus interest due August 2016; secured by forklift.	17,199	3,650
Construction loans with Capital One bank; bear interest at LIBOR Plus 3.25% interest through maturity in 2014; interest payable In quarterly installments commencing on April 4, 2013 and due on the same day of the month every three months thereafter	2,711,560	-

**THE GREATER BATON ROUGE FOOD BANK**  
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**NOTES TO FINANCIAL STATEMENTS**

**5. NOTES PAYABLE** (continued)

Community Development Block Grant (CDBG) repayable loan; 10 years at 0%; secured by the building	\$ 500,000	\$ -
Community Development Block Grant (CDBG) forgivable loan; 5 years at 0%, secured by the building	<u>500,000</u>	<u>-</u>
Subtotal	3,728,759	52,660
Less: current portion	<u>( 2,755,206)</u>	<u>( 28,155)</u>
Long term debt- net of maturities	<u>\$ 973,553</u>	<u>\$ 24,505</u>

The notes are expected to mature as follows:

<u>Year ending December 31<sup>st</sup></u>	<u>Amount</u>
2014	\$ 2,755,206
2015	56,424
2016	54,628
2017	50,000
2018	50,000
Thereafter	<u>762,501</u>
	<u>\$ 3,728,759</u>

**6. CLUSTER TRANSPORTATION**

The Food Bank was the cluster head for various food banks. Other food banks in the cluster for 2012 were the Food Bank of Central Louisiana and the Food Banks of Northeast and Northwest Louisiana. As the head of the cluster, the Food Bank coordinated and paid for the cluster's transportation costs and was then reimbursed monthly by the other food banks. Cluster transportation revenue is recorded in the accompanying financial statements as unrestricted revenue. Amounts due from the agencies are recognized as a component of accounts receivable. Effective in 2013, the Food Bank is no longer providing cluster transportation services for other food banks.

**THE GREATER BATON ROUGE FOOD BANK**  
**(A NOT-FOR-PROFIT ORGANIZATION)**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**7. VEHICLE LEASES**

The Food Bank began leasing delivery trucks for food distribution in December of 2006. Three additional leases were entered into in October of 2013. However, the trucks were not put into service until May 2014. The terms of the leases require annual rental payments as follows:

2014	\$ 42,061
2015	54,444
2016	54,444
2017	54,444
2018	54,444
Thereafter	<u>118,354</u>
	<u>\$ 378,191</u>

Rental expense for the leases was \$21,912 and \$60,290 for the years ended December 31, 2013 and 2012, respectively.

**8. RETIREMENT PLAN**

The Food Bank has a qualified Internal Revenue Code Section 403(b) annuity plan. The Plan covers all full time employees who have completed at least three months of service. The Food Bank is obligated to match up to 50% of an employee's deferred amount, up to 10% of their pay. The Food Bank has the option to match up to 100% in any one year. The Food Bank contributed \$27,640 and \$24,379 to this Plan during the years ended December 31, 2013 and 2012, respectively.

**9. INVESTMENT INCOME**

The Food Bank has cash in money market accounts, certificates of deposit and pooled separate accounts held by BRAF that pay interest.

Investment income on investments was comprised of the following:

	<u>2013</u>	<u>2012</u>
Net unrealized gains on endowment fund	\$ 77,767	\$ 67,671
Dividend and interest	<u>19,630</u>	<u>19,141</u>
	<u>\$ 97,397</u>	<u>\$ 86,812</u>

**THE GREATER BATON ROUGE FOOD BANK**  
**(A NOT-FOR-PROFIT ORGANIZATION)**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**10. FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated by management among the programs and supporting services benefited.

**11. COMMITMENTS AND CONTINGENCIES**

The Food Bank is, from time to time, involved in lawsuits arising in the ordinary course of its business that, in the opinion of management, will not have a material effect on the Food Bank's results of operations.

**12. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Financial Accounting Standards Board Accounting Standards Codification topic on Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement, determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The asset fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2013 and 2012.

**THE GREATER BATON ROUGE FOOD BANK**  
**(A NOT-FOR-PROFIT ORGANIZATION)**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**12. FAIR VALUE OF FINANCIAL INSTRUMENTS** (continued)

*Pooled funds and Real Estate Investment Trust:* Valued at the net asset value (NAV) of units held by the Food Bank at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Food Bank's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair Value of Assets Measured on a Recurring Basis

The following table presents for each of the fair-value hierarchy level the Food Bank's financial assets that are measured at fair value on a recurring basis at December 31, 2013 and 2012.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Pooled Investments at December 31, 2013	\$ <u>          -</u>	\$ <u>1,067,239</u>	\$ <u>          -</u>
Pooled Investments at December 31, 2012	\$ <u>          -</u>	\$ <u>911,771</u>	\$ <u>          -</u>

**13. PROMISES TO GIVE**

Unconditional Promises to Give

Unconditional promises to give at December 31, 2013 are as follows:

Receivable in less than one year	\$ 632,856
Receivable in one to five years	<u>368,650</u>
Total unconditional promises to give	1,001,506
Less: Discount to net present value	<u>( 36,976)</u>
Net unconditional promises to give	<u>\$ 964,530</u>

The discount rate used on the valuation of long-term promises to give was 3.49% and 2.96% for the year ended December 31, 2013 and 2012, respectively, the rate of return of the 30 year U.S. Treasury Bill.

**THE GREATER BATON ROUGE FOOD BANK**  
**(A NOT-FOR-PROFIT ORGANIZATION)**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**13. PROMISES TO GIVE** (continued)

The scheduled payments on promises to give are as follows:

2014	\$ 753,995
2015	188,216
2016	12,615
2017	<u>9,704</u>
	<u>\$ 964,530</u>

During the years ended December 31, 2013 and 2012, \$306 and \$50,000, respectively was written off related to reduction in pledges.

**14. ENDOWMENT NET ASSETS**

The primary objective of the Food Bank's investment and spending policies for its endowed assets is for the investment of donor contributions made in memory of individuals. These donations are used to meet the mission statement of the Food Bank. Its endowment includes donor- restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Food Bank has interpreted the Louisiana State Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. This Act was effective July 1, 2010. Upon implementation, the Food Bank classified as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donations, to be used to meet the mission statement of the Food Bank, can be solicited for this fund. Interest, dividends, capital gains or other earnings of the Fund are to be utilized at the discretion of the Board of Directors, and in compliance with the policies and procedures of the Board designated holder of the endowment. This policy, with the exception of the inviolate nature of the endowment that may not be altered, may only be changed by a two-thirds majority vote of the elected, voting members of the Board of Directors. The corpus of the assets of this fund is considered to be permanently restricted.

Investments of the Endowment Fund consist solely of amounts invested in the Baton Rouge Area Foundation Investment Pool (BRAFI). To satisfy its long-term rate-of-return objectives, the Food Bank relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The carrying amount of the investments of \$1,067,239 and \$911,771 as of December 31, 2013 and 2012, respectively, are recorded at their fair values. The investments are in pooled funds primarily composed of mutual funds held at the Baton Rouge Area Foundation.



**THE GREATER BATON ROUGE FOOD BANK**  
**(A NOT-FOR-PROFIT ORGANIZATION)**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**14. ENDOWMENT NET ASSETS** (continued)

As of December 31, 2013 and 2012, all interest and dividend income and unrealized gains were classified as unrestricted.

The net asset composition by type of fund was as follows as of December 31, 2013 and 2012:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-Restricted Endowment as of December 31, 2013	\$ 307,077	\$ -	\$ 760,162	\$ 1,067,239
Donor-Restricted Endowment as of December 31, 2012	\$ 232,825	\$ -	\$ 678,946	\$ 911,771

Changes in endowment funds by net asset category were as follows for the years ended December 31, 2013 and 2012:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, December 31, 2012	\$ 232,825	\$ -	\$ 678,946	\$ 911,771
Investment Return:				
Investment loss	(3,515)	-	-	(3,515)
Net appreciation	77,767	-	-	77,767
Contributions	-	-	81,216	81,216
Endowment net assets, December 31, 2013	<u>\$ 307,077</u>	<u>\$ -</u>	<u>\$ 760,162</u>	<u>\$ 1,067,239</u>

**THE GREATER BATON ROUGE FOOD BANK**  
**(A NOT-FOR-PROFIT ORGANIZATION)**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**14. ENDOWMENT NET ASSETS** (continued)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, December 31, 2011	\$ 155,039	\$ -	\$ 607,622	\$ 762,661
Investment Return:				
Investment income	10,115	-	-	10,115
Net appreciation	67,671	-	-	67,671
Contributions	<u>-</u>	<u>-</u>	<u>71,324</u>	<u>71,324</u>
Endowment net assets, December 31, 2012	<u>\$ 232,825</u>	<u>\$ -</u>	<u>\$ 678,946</u>	<u>\$ 911,771</u>

**15. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 12, 2014, and determined that the following items require additional disclosure.

- The Food Bank moved into their new building at the end of December 2013 and operations began in January 2014. All assets related to the new building were placed into service in January 2014. The Food Bank has plans to try to sell the old building in the upcoming year.
- The Food Bank was approved for a grant from the Governor's Office of Homeland Security and Emergency Preparedness on January 10, 2014. The total funds available are \$650,000 for the purchase of a generator. The grant requires a 25% non-federal cost share match which the Food Bank will be responsible for.

No events occurring after June 12, 2014 have been evaluated for inclusion in these financial statements.

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**THE GREATER BATON ROUGE FOOD BANK**

**REPORTS ON INTERNAL CONTROL AND ON  
COMPLIANCE AND OTHER MATTERS**

**DECEMBER 31, 2013**

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Postlethwaite  
& Netterville

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**Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed  
In Accordance with Government Auditing Standards**

The Board of Directors  
The Greater Baton Rouge Food Bank  
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Greater Baton Rouge Food Bank, which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 14, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered The Greater Baton Rouge Food Bank's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Greater Baton Rouge Food Bank's internal control. Accordingly, we do not express an opinion on the effectiveness of The Greater Baton Rouge Food Bank's internal control over.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether The Greater Baton Rouge Food Bank's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Postlethwaite & Nettville*

Baton Rouge, Louisiana

June 14, 2014

**Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over  
Compliance Required by OMB Circular A-133**

The Board of Directors  
The Greater Baton Rouge Food Bank  
Baton Rouge, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited The Greater Baton Rouge Food Bank's compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of The Greater Baton Rouge Food Bank's major federal programs for the year ended December 31, 2013. The Greater Baton Rouge Food Bank's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of The Greater Baton Rouge Food Bank's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Greater Baton Rouge Food Bank's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of The Greater Baton Rouge Food Bank's compliance.

**Opinion on Each Major Federal Program**

In our opinion, The Greater Baton Rouge Food Bank complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

**Report On Internal Control Over Compliance**

Management of the Greater Baton Rouge Food Bank is responsible for establishing and maintaining effective internal control over the types of compliance requirements referred to on the previous page. In planning and performing our audit of compliance, we considered the Greater Baton Rouge Food Bank's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Greater Baton Rouge Food Bank's internal control over compliance.

*A deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control* over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the Greater Baton Rouge Food Bank as of and for the year ended December 31, 2013, and have issued our report thereon dated June 14, 2014, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana

June 14, 2014

**THE GREATER BATON ROUGE FOOD BANK****SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013****U.S. DEPARTMENT OF AGRICULTURE**

<b><u>PROGRAM NAME</u></b>	<b><u>FEDERAL CFDA NUMBER</u></b>	<b><u>EXPENDITURES</u></b>
FEDERAL AGENCY FOOD AND NUTRITION SERVICE, PASSED THROUGH GRANT NUMBERS 6LA810812 AND 6LA400812 FROM LOUISIANA DEPARTMENT OF AGRICULTURE & FORESTRY		
EMERGENCY FOOD ASSISTANCE PROGRAM	10.568 and 10.569	\$ 2,056,793
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM -ARRA	10.561	<u>27,352</u>
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>		<b><u>\$ 2,084,145</u></b>

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

<b><u>PROGRAM NAME</u></b>	<b><u>FEDERAL CFDA NUMBER</u></b>	<b><u>EXPENDITURES</u></b>
PASS THROUGH FROM- CITY OF EAST BATON ROUGE OFFICE OF COMMUNITY DEVELOPMENT – COMMUNITY DEVELOPMENT BLOCK GRANT – GRANT NUMBER B-13-MC-22-0002		
	14.218	\$ <u>1,000,000</u>
<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		<b><u>\$ 1,000,000</u></b>

**DEPARTMENT OF HOMELAND SECURITY**

<b><u>PROGRAM NAME</u></b>	<b><u>FEDERAL CFDA NUMBER</u></b>	<b><u>EXPENDITURES</u></b>
EMERGENCY FOOD AND SHELTER PROGRAM	97.024	\$ <u>22</u>
<b>TOTAL HOMELAND SECURITY</b>		<b><u>\$ 22</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<b><u>\$ 3,084,167</u></b>

See the accompanying notes to the schedule of expenditures of federal awards.

**THE GREATER BATON ROUGE FOOD BANK****NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013****NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Greater Baton Rouge Food Bank (Food Bank) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE B – FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the estimated cost of the commodities disbursed. At December 31, 2013, the organization had USDA commodities valued at \$52,739 in inventory. The organization received \$1,783,665 of commodities for the year ended December 31, 2013.

**NOTE C – SUB-RECIPIENTS**

All of the commodities distributed were done so to eligible recipient agencies considered to be sub-recipients of the Food Bank.

**NOTE D – RECONCILIATION OF EXPENSES TO FEDERAL EXPENDITURES**

Program expenses	\$ 19,575,966
Non-cash adjustments- donated food	(15,290,955)
Non-cash adjustments- depreciation	(249,471)
Non-cash adjustments - write down of pledges	(306)
Non-cash adjustments- in-kind expense	(126,503)
Non-federal expenditures	(824,564)
Total Federal Expenditures	<u>\$ 3,084,167</u>

**THE GREATER BATON ROUGE FOOD BANK**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2013**

**A. Summary of Auditors' Results**

*Financial Statements*

Type of auditor's report issued: Unmodified

- Material weakness(es) identified? \_\_\_\_\_ yes      x   no
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      x   none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes      x   no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes      x   no
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      x   none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? \_\_\_\_\_ yes      x   no

**THE GREATER BATON ROUGE FOOD BANK**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2013**

**Identification of major program:**

CFDA Number

Name of Federal Program or Cluster

14.218

Community Development Block Grants

- The threshold for distinguishing types A and B programs was \$300,000.
- The Greater Baton Rouge Food Bank did qualify as a low-risk auditee.

**Findings– Financial Statements**

- None

**Findings and Questioned Costs – Major Federal Awards Programs**

- None

**THE GREATER BATON ROUGE FOOD BANK**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**YEAR ENDED DECEMBER 31, 2012**

**Findings– Financial Statements**

- None

**Findings and Questioned Costs – Major Federal Awards Programs**

- None